

OCA 86-1813  
28 May 1986

MEMORANDUM FOR THE RECORD

SUBJECT: Non-OMB Clearance of DCI Letter to Lugar -  
Conversation with Russ Neely of OMB

1. On May 28, 1986, I was called by Russ Neely, Office of Management and Budget (OMB). He said OMB knew of the Director's May 23rd letter to Senator Lugar (Chairman, Senate Foreign Relations Committee) on the diplomatic security legislation. He did not indicate how OMB knew, but I suspect that the Department of State may have provided OMB a copy.

2. He then asked why the letter had not been cleared with OMB prior to transmittal. He said that higher levels at OMB were concerned for a number of reasons. First, OMB objected to the phrase in the letter "... (we) strongly endorse virtually every aspect of this important legislation...", as it undercut the Administration's ability to defeat otherwise objectionable portions of the legislation. OMB also objected because the letter would encourage other agencies to approach the Committee unilaterally, thereby undercutting any attempt to fashion an Administration position. He noted that OMB had circulated for comment the last Foreign Relations Committee draft of the legislation and expressed disappointment that the Agency's views had not been put into that channel. Finally, he noted the incident as perhaps strengthening the perception at OMB that the Agency did not care for the OMB clearance process.

3. I responded with the following: The letter was sent to protect what the Agency perceived as its vital interests in this legislation, i.e., maintaining the status quo in the legal authorities governing control of its overseas staffing levels. The Agency's presence overseas is, in contrast to other agencies, vital to its mission and any effort to tip the balance in State's favor on the authorities governing that presence touched very sensitive feelings held here at the highest levels.

4. I noted that the Agency had participated in the OMB clearance process on this legislation from its inception through the various meetings held at the National Security Council, and that it routinely cleared other matters through OMB. The letter was, in fact, consistent with previous positions the Administration and the Agency had taken on the legislation. In response to the last OMB referral memorandum on the subject, [redacted] had, on Friday, May 23rd, contacted OMB and conveyed the Agency's strong objections (Neely was apparently unaware this had been done). Finally, the letter had been particularly prompted by a concern here about the turn of events surrounding the Foreign Relations Committee's amendment of Section 105(b) of the legislation.

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5. We then had a long discussion about the history of the legislation. I reviewed several themes which the Agency perceived as running through that history as follows:

6. To the Agency's detriment, the Administration had been unsuccessful in translating its enunciated position on issues important to the Agency into legislative action. The legislation had been fast moving and had grown, not out of agreed-upon compromises on disputed points, but instead out of drafts to which few were privy and which were "sprung" at the last minute at crucial junctures. Various persons in both Branches had failed to "deliver" on assurances to the Agency that our concerns would be met.

7. I said it was most important to understand that the letter grew out of this background and out of the perception that Senate floor action could be the Agency's last chance on the matter.

8. Most of our discussion could be characterized as the standard discussion which occurs between OMB and an agency in this situation. Mr. Neely indicated that OMB was reviewing the situation further and that he would be contacting [redacted] to discuss the situation.

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